



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

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TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF
HEALTH OFFICERS, LOCAL HEALTH DEPARTMENTS
LOCAL HEALTH DEPARTMENT ELIGIBILITY STAFF
ELIGIBILITY DETERMINATION DIVISION STAFF

OM: ROSEMARY MALONE, EXECUTIVE DIRECTOR, FIA *Rosemary Malone*
DEBBIE RUPPERT, EXECUTIVE DIRECTOR, OES, DHMH *Debbie Ruppert*

RE: PROCEDURES FOR PROCESSING MODIFIED ADJUSTED GROSS INCOME
(MAGI) APPLICATIONS

PROGRAM AFFECTED: MEDICAL ASSISTANCE

ORIGINATING OFFICE: OFFICE OF HEALTH CARE INITIATIVES & SUPPORT SERVICES

SUMMARY:

Beginning January 2014, the Family Investment Administration (FIA) issued several action transmittals describing interim procedures for processing Maryland Health Connection (MHC) applications. FIA developed workarounds in CARES instead of using the Maryland Health Connection to ensure that applications for families, single adults and children could be tested under the new Modified Adjusted Gross Income (MAGI) rules. These procedures were issued in Action Transmittal 14-10 Revised. FIA partnered with the Department of Health and Mental Hygiene (DHMH) to refine the procedures and developed new processes for handling MAGI applications for childless adults under 65, processing newborns and handling referral of MAGI associated cases from the local health department (LHD). Until further notice, please follow the procedures included in this transmittal.

This transmittal **obsoletes AT 14-10 Revised** and incorporates all steps required to process MAGI applications.

The links below take you directly to topics in each section

[Intake](#)

[Processing MAGI Applications](#)

[New Eligibility Determination Procedures and MAGI Workarounds](#)

[Modified \(MAGI\) Workaround Procedures](#)

ACTION REQUIRED:

I. Standard MAGI application procedures.

This section includes procedures and reminders for processing MAGI applications.

A. Intake

1. When a customer applies for Medical Assistance (MA) in person:
 - If the customer is applying for other benefits as well as Medical Assistance, give the customer both the 9701 DHR Application and the Maryland Health Connection paper application. Please see **Attachment A** for the appropriate MHC application to issue to customers.
 - Note:** Do not give the MHC application to customers applying for Long Term Care, PAA and QMB/SLMB benefits.
2. Use the MHC Application Screening tool (**Attachment B**) to determine whether the customer is Medicaid eligible or potentially eligible for a Qualified Health Plan (QHP).
 - **The screening tool has been revised to screen for self-employed and refugee applicants.**

B. Processing MAGI Applications

1. When a customer applies for MA on SAIL, bring the application into CARES through the VMEN and process as usual using MAGI workarounds noted in 3-c Applications for **self-employed** and **TDAP Type 1** childless adults must be processed by EDD. CARES does not support MAGI for this population.
2. When a customer mails in an MA application or an MHC application, pend the application in CARES and process as usual using MAGI workarounds noted in 3-c except if the customer filing an application is a childless adult under 65. Perform the appropriate clearances (CIS and MMIS) on all MA applications to identify:
 - The correct IRN (Client IDs) to ensure a correct match in case you need to put the MHC application into the Maryland Health Connection system;
 - The correct household composition; and
 - Any applicants already active in a MA category in CARES and/or MMIS.
3. If the result of the screening is "MAGI":
 - a. Pend all applications in CARES except applications for Childless Adults received after **April 15, 2014**. Follow procedures in **Section II B (9)** for referral of childless adult applications to DHMH's Eligibility Determination Division (EDD).
 - b. Enter "MH" in the **Special Circumstances** field on the **ADDR** screen to identify cases processed using a MHC workaround.
 - c. Use the appropriate MAGI Workaround to complete the eligibility determination:
 - Workaround for Childless Adults (**Attachment C-1**)
 - Workaround for Families and Children (**Attachment C-2**)

- Workaround for Childless Adults under 65 Receiving Social Security Administration (SSA), Railroad Retirement or Veterans Benefits (**Attachment C-3**)
 - Workaround for Denial of Non-MAGI customers - 570 Reason Code (**Attachment C-4**)
 - Workaround for Former Foster Care Children (**Attachment C-5**)
 - Workaround for Self-Employed Families (**Attachment C-6**)
4. If the customer is also applying for or receiving another FIA benefit, make the income count towards the specific program (i.e. FSP) except when processing applications for former foster care or self-employed households.
 5. When the household receives Food Supplement Program (FSP) benefits, review the FSFI screen to ensure the benefit amount is unchanged. Do not enter medical expenses on the FSME screen unless the customer is elderly or disabled and receiving a disability benefit.
 6. If all applicants in the household are approved for MA, no further action is needed.
 7. **Include in your narration the income counted towards MAGI.**
 8. In instances when the application was not processed in CARES within 30 days from the date of application **due to MHC issues**:
 - a. On the Miscellaneous (**MISC**) screen, in the delay reason field, enter “**TP**”, (third party liability).
 - b. This code places no fault on the agency or the customer for processing the application beyond the 30-day period.
 - c. Examples:
 - Applications filed on MHC but an eligibility decision was not received and eligibility was determined in CARES.
 - Applications approved in MHC but an eligibility span was not created in MMIS and eligibility was re-determined in CARES.
 - Constituent inquiries about MHC on-line decisions requiring expediting an MA eligibility decision in CARES due to medical need.
 9. If you use the workaround, but CARES still denies the MA application, use the 570 reason code workaround to deny or close the MA AU or (**Attachment C-4**).
 10. If the result of the screening is “QHP,” follow your local office’s procedure for “handoff” of the CARES screen prints and the change form to the on-site Navigator. The Navigator will assist the customer in enrolling in a Qualified Health Plan during open enrollment. Your local office procedure should include the following steps:
 - a. Write on the documents the IRNs (Client IDs) for each household member to ensure a correct match in MHC.
 - b. Inform the Navigator if anyone included on the case was determined eligible

under current Medicaid rules.

C. Narration

When processing Medicaid applications using a workaround, LDSS staff must remember to include pertinent information used to make the eligibility determination. Please include the following:

- a. Date of application
- b. Number of household members
- c. All countable household income
- d. If a referral was made to a Navigator for MAGI Ineligible customers
- e. If an application for a childless adult was transferred to DHMH's Eligibility Determination Division (EDD).

D. Reminders

- If MAGI eligible, applicants are not subject to a resource test.
- Use the ACE procedures to process all applications for pregnant women within 10 days.
- All existing CARES procedures for processing TCA applications remain in effect.
- Do not count the following income in the MAGI calculation:
 - Child Support
 - Worker's compensation benefits
 - Federal tax credits
 - Federal income tax refunds
 - Gift and loans
 - Inheritances
 - Veteran's benefits
 - Supplemental Security Income (SSI)
 - Temporary Assistance to Needy Family (TANF) and other government cash Assistance
 - Proceeds from life insurance, accidents insurance or health insurance.
- Process requests for retro coverage for Childless adults:
 - Use the SRT process for months in 2013
 - Use MAGI rules for January 2014 forward

II. New Eligibility Determination Procedures and MAGI Workarounds

This section includes systems changes, eligibility procedures or workarounds introduced after issuance of AT 14-10 Revised.

A. Parameter Update

1. CARES now reflects the MAGI 2014 federal poverty levels.
2. This parameter change does not change the MA eligibility rules in CARES.
3. See **Attachment C-2-A** which shows a case processed for a family with the MAGI standards.

B. Procedures for Referral of Childless Adult under 65 applications to the

Department of Health and Mental Hygiene's Eligibility Determination Division (EDD)

1. Applications for Non-MAGI childless adults should be processed in CARES.
2. Applications for **self-employed** and **TDAP Type 1** childless adults must be processed by EDD.
3. Effective April 16, 2014, LDSS staff are no longer processing applications filed by MAGI Childless Adults under 65 in CARES.
4. EDD will determine eligibility for this population, see memo, (**Attachment C-7-A**). The LDSS will be responsible for any applications received prior to April 16, 2014.
5. Local departments must identify staff in your jurisdictions to batch and transfer all applications for Childless Adults under 65 meeting the MAGI Medicaid criteria daily to EDD for processing.

Note: Primary Adult Care application forms will not be accepted.

6. When transferring the applications, staff must submit the screening log (**Attachment C-7-B**) listing all batched applications with the transfer.
7. The date stamped application for Childless Adults under 65 applicants and the completed screening log must accompany all batched applications, unless you are sending additional documentation received after the application was sent to EDD.
8. LDSS staff must maintain a copy of all documentation sent. The screening log must include the:
 - a. Date the applications were sent;
 - b. Sender's name;
 - c. District Office;
 - d. Phone Number;
 - e. Primary Applicant Name;
 - f. Applicant's address;
 - g. MHC Application; and
 - h. Any supporting documentation.
9. Batch the applications and supporting documentation and send daily to:

DHMH PAC Childless Adults
P.O. BOX 386
Baltimore, Maryland 21203

Note: For urgent cases, please e-mail the application to:
dhmh.oesed@maryland.gov
10. **Narrate** all actions taken when using the workaround.

C. Procedures for processing Automated 1184 (Newborn form) with Associated cases

1. A representative from the Division of Recipient Eligibility Programs (DREP) will upload the 1184 Newborn form to the Enterprise Content Management System (ECMS) associating it with the head of household.
2. The representative will send an e-mail on Monday, Wednesday and Friday by 10 a.m. with the 1184 Newborn form (**Attachment F**) to the local department's Change Champion (See **Attachment E**) informing them the 1184 form is available in ECMS.
3. The Change Champion will assign the case and the case will be processed within 10 days of receipt.
4. The Change Champions have statewide access to process all applications received on their logs. If needed, transfer the case upon completion.

D. Procedures for Local Health Department (LHD) Referral of MAGI Applications with Associated Cases

There are instances when a customer has an active case in the LDSS and applies for health coverage at the LHD. To expedite the application process:

1. The local health department (LHD) liaison will upload the MHC application and any supporting documentation to ECMS (See **Attachment G**).
2. The LHD liaison will send an e-mail to the local department's Change Champion (See **Attachment E**) informing them of the MAGI Associated Case upload attaching the referral log with the information for the cases uploaded.
3. The Change Champion will assign the case and the case will be processed within 30 days of receipt.
4. The LHD staff must maintain a copy of all documentation sent. The transfer log must include the:
 - a. MAGI referral date;
 - b. Sender's name;
 - c. LHD District Office;
 - d. LHD Contact Number;
 - e. MAGI Application Date;
 - f. LDSS Office;
 - g. LDSS Contact;
 - h. Primary Applicant Name; and
 - i. Head of Household Name

E. Workaround for Self-Employed Families

1. Use the MHC Screening tool to determine the countable self-employment net income for the household.
2. When the customer is receiving another FIA benefit, code the income specific to the program (See **Attachment C-6**).
3. Narrate in CARES the net self-employment income countable to the MAGI AU.

4. When the parents are Medicaid ineligible, use the 570 Reason code workaround to deny the MA AU.
5. Add a program to test the children for the Maryland's Children Health Program (MCHP).
6. **Narrate** all actions taken when using the workaround.

III. Modified (MAGI) Workaround Procedures

This section includes current workarounds and highlights any modifications to the process.

- A. When processing applications, follow the rules listed in Section II B when determining eligibility for MAGI households.
- B. Follow procedures in Workarounds for processing MA Applications for Families and Children (**Attachment C-2**) and Self-Employed Families (**Attachment C-6**).
- C. Procedures listed below remain in effect for processing MA Applications for Childless Adults under 65 for jurisdictions continuing to process childless adult applications.
 1. If the customer is requesting Retroactive coverage for 2013, follow existing State Review Team procedures.
 2. If the customer is requesting Retroactive coverage for January 1, 2014 forward, follow **Attachment C-1**, workaround for processing Childless Adults under 65.
 3. If the customer is requesting MA effective January 2014, follow **Attachment C-1**, workaround for processing Childless Adults under 65.
 4. If the customer is a disabled veteran (100% or less than 100%), receives Railroad Retirement benefits or is a Temporary Disability Assistance Program (TDAP) Type 2 applicant or recipient follow **Attachment C-1** and:
 - Code the Approval Source "PA" on the DEM2 screen.
 - This code allows the TDAP and MA case to be certified for 12 months.
 5. If the customer is a Childless Adult under age 65 who receives Social Security Disability Insurance (SSDI) and is not Medicare Eligible, follow procedures in **Attachment C-3**.
 6. If a customer is already active in an S99 spend-down or is currently pending in the S98 coverage group (Aged, Blind or Disabled):
 - Keep the current S98 AU pending because the State Review Team procedures continue for any months of application prior to January 1, 2014.
 - Use the Add-A-Program function on CARES to create a new S98 AU number, and use January 1, 2014 as the application date or the date of application if the customer applied for MA after January 1, 2014.
 - Use the workaround for Childless Adults under 65 (**Attachment C-1**) to provide immediate coverage effective January 1, 2014 if the application date was prior to January 1, 2014. If the date of application is after January, eligibility will begin effective the month of the application.
 7. For childless adult applications received after **April 15, 2014**, follow procedures in Section II (B). LHDs should continue using the "S98" work around to process these

cases on CARES when they are received.

8. **Narrate** all actions taken when using the workaround.

D. **Processing Applications for Former Foster Care Children**

1. Pend these applications in CARES in the E02 coverage group and follow procedures in **Attachment C-5**.
2. Verify the applicant was a Maryland foster care recipient and receiving Medicaid in the E-track at the age of 18.
 - It does not matter when the applicant aged out of the system as long as they are **under age 26**.
3. Income is not considered for former foster care applicants up to age 26.
4. If the customer is receiving other FIA benefits (i.e. FSP) and has income, code the income countable to the **FSP case only**.
5. **Narrate** all actions taken when using the workaround.
6. Individuals who were reunified with their parents and were not receiving foster care services on their 18th birthday, or who participated in related permanency programs such as subsidized adoption as of that date, **are not eligible**.
7. Former foster care children already enrolled in Medicaid will continue to receive full benefits.
8. Everyone enrolled in PAC effective December 31, 2013 were automatically enrolled in full Medicaid benefits on January 1, 2014, as part of the expansion population covering adults up to 138% FPL.
9. Anyone already receiving benefits will be able to indicate their former foster care status when their case is up for redetermination.

E. **Verifications**

1. Proof of income, citizenship and Social Security Number are the most common verifications for MAGI MA. Check MABS, The Work Number, SVES and SAVE to resolve any outstanding verifications before you contact the customer.
2. If those systems do not match the information on the customer's application, take the following action:
 - For customers who apply for MA and other DHR benefit programs, use the 1052 (Request for Verifications) form to request verifications.
 - For MA-only applications and MHC applications that are missing verifications, use the fillable verification templates that appear in **Attachments D-1, D-2 and D-3** to request proof of income, citizenship and/or Social Security Numbers. The worker should enter his/her name and office address in the space provided.

Reminder: Social Security card are **NOT** needed; only the Social Security number.

- Scan all returned verifications into ECMS using the head of household Client ID in CARES. DHR's partner agencies (the Local Health Departments and the Connector Entities) can view documents that have been scanned into ECMS.
- Retain the MHC application for one year as noted in AT 13-14, "ECMS Record Retention Guidelines."

Reminders

You may receive inquiries about applicants' eligibility decisions. To address these issues and provide answers to our customers, follow the steps below:

- Perform a clearance in MMIS to determine if the customer's case is active. It is possible that an agency other than yours is handling the customer's application or case.
- If the case is not active, check CARES for the status and narration.
- If the application is not in CARES, check MHC to determine if the customer's application has been authorized.
- If verifications are still needed, inform the customer of which ones are needed.

INQUIRIES:

1. For questions about MAGI case processing procedures, LDSS staff should contact the Office of Health Care Initiatives and Support Services at FIA.RRT@maryland.gov. DHMH and LHD staff will refer questions about MAGI case processing procedures to their existing contacts.
2. For questions about the Food Supplement Program, please contact Stephanie Bartee at Stephanie.bartee@maryland.gov or (410) 767-8121. For questions about Temporary Cash Assistance (TCA) or the Temporary Disability Assistance Program (TDAP), please contact Marilyn Lorenzo at Marilyn.lorenzo@maryland.gov or (410) 767-7333.
3. For questions about MA policy, please contact the DHMH Division of Eligibility Policy and MCHP at (410) 767-1463 or 1-800-492-5231 (select option 2 and request extension 1463).

cc: DHR Executive Staff
FIA Management Staff
Constituent Services

DHMH Executive Staff
DHMH Management Staff
DHR Help Desk